

Top Banks in Total Correspondent Balances

Banks with demand deposits due all banks of \$25 million or more on June 30, 1989 (dollar figures in thousands)

Rank 6/89		Demand Deposits Due to All Banks 6/30/89	6/30/88	Rank 6/30/88	Gain In Rank	Time and Savings Deposits Due to All Banks 6/30/89	6/30/88
101	Barnett Bank of Tampa NA, Fla.	73,941	64,350	112	+ 11	0	0
102	First National Bank, Lubbock, Tex.	73,767	48,850	140	+ 38	4,110	500
103	First National Bank, Omaha, Neb.	71,751	51,345	135	+ 32	26,481	600
104	Texas American Bank NA, Fort Worth (a)	70,172	102,360	77		123,589	345,976
105	First Interstate Bank of Denver NA	69,589	71,263	100		50,886	66,733
106	European American Bank, New York	67,627	117,747	69		701	1,378
107	Security Pacific Bank-Arizona, Phoenix	66,843	58,022	125	+ 18	6	38
108	National Bank of Commerce T&S Assn., Lincoln, Neb.	63,862	64,615	111	+3	100	100
109	Exchange National Bank, Chicago	62,935	69,427	102		100	300
110	Marquette Bank Minneapolis NA	61,636	57,556	127	+ 17	17,948	10,227
111	Comerica Bank-Detroit	61,401	40,601	164	+ 53	6,819	11,881
112	First Commercial Bank NA, Little Rock, Ark.	61,105	63,285	115	+3	0	0
113	Trustmark National Bank, Jackson, Miss.	61,054	50,185	137	+ 24	17,706	1,341
114	Mercantile-Safe Deposit & Trust Co., Baltimore	60,375	50,234	136	+ 22	0	0
115	Security Pacific Bank Oregon, Portland	60,275	38,733	172	+ 57	0	379
116	NCNB National Bank of North Carolina, Charlotte	59,796	68,091	104		11,500	18,600
117	Merchants National Bank, Cedar Rapids, Iowa	59,662	70,732	101		7,724	11,570
118	Sun Bank/Miami NA	58,344	51,871	134	+ 16	0	5,032
119	Bank of Oklahoma NA, Tulsa	57,865	53,664	131	+ 12	13,528	50,600
120	Central Bank of the South, Birmingham, Ala.	57,799	54,038	130	+ 10	3,133	42,130
121	Liberty National Bank & Trust Co., Oklahoma City	57,479	64,053	113		142	2,008
122	Ameritrust Co. NA, Cleveland	56,660	92,349	85		4,372	1,451
123	Equitable Bank NA, Baltimore	56,380	76,429	97		1,356	3,343
124	Bank of Hawaii, Honolulu	56,096	47,712	144	+ 20	1,500	1,000
125	American National Bank & Trust Co., St. Paul, Minn.	56,035	58,853	119		69,263	19,999
126	Zions First National Bank, Salt Lake City, Utah	55,491	48,539	143	+ 17	1,000	1,000
127	Republic National Bank, New York	54,775	40,829	162	+ 35	29,383	33,188
128	National Bank of Commerce, Memphis	53,045	56,772	129	+1	1,450	5,100
129	Signet Bank/Maryland, Baltimore	52,871	48,972	139	+ 10	0	4,100
130	United Carolina Bank, Whiteville, N.C.	52,841	33,470	193	+ 63	0	0
131	FirstTier Bank NA, Lincoln, Neb.	52,234	74,437	98		3,579	6,186
132	First Interstate Bank of Oklahoma NA, Oklahoma City	52,142	60,560	117		2,065	160
133	United Jersey Bank, Hackensack, N.J.	51,592	64,830	110		0	0
134	BayBank Boston NA	51,464	66,465	107		0	0
135	Central Bank of Denver	49,699	58,426	122		215,530	246,178
136	Bank IV Wichita NA, Kan.	49,678	67,232	106		35,486	3,175
137	United States National Bank, Portland, Ore.	49,282	48,709	141	+4	42	0
138	Victoria Bank & Trust Co., Tex.	49,257	47,277	146	+8	77	1,876
139	Hibernia National Bank, New Orleans	47,961	44,059	155	+ 16	6,192	24,410
140	Comerica Bank-Jackson NA, Mich.	47,694	37,291	178	+ 38	0	0
141	Lincoln National Bank & Trust Co., Fort Wayne, Ind.	47,572	26,863	232	+ 91	58,577	9,997
142	Security National Bank, Sioux City, Iowa	47,534	44,241	154	+ 12	400	0
143	INB National Bank, Northwest, Lafayette, Ind.	45,275	.....	.....		1,610	.....
144	Shawmut Worcester County Bank NA, Worcester, Mass.	45,184	36,668	181	+ 37	100	500
145	First National Bank & Trust Co., Tulsa, Okla.	45,017	46,527	147	+2	50	5,753
146	Norwest Bank Nebraska NA, Omaha, Neb.	44,974	45,194	150	+4	0	0
147	Citizens & Southern Trust Co. (Georgia) NA, Atlanta	44,500	.....	.....		0	.....
148	MBank Corpus Christi NA, Tex.	44,380	73,273	99		73,565	61,942
149	Citizens & Southern Trust Co. (S.C.) NA, Columbia	44,000	.....	.....		0	.....
150	Independence One Bank NA, Rapid City, SD	43,987	.....	.....		0	.....
151	IBJ Schroder Bank & Trust Co., New York	43,953	46,357	148		80,704	87,426
152	Norwest Bank Des Moines NA, Iowa	43,686	56,782	128		200	851
153	Premier Bank, NA, Baton Rouge, La.	43,408	11,157	.....		2,570	3,434
154	Sovran Bank Delaware, New Castle	42,500	40,500	165	+ 11	0	0
155	Citizens & Southern Trust Co. (Florida) NA, Fort Myers	42,500	.....	.....		0	.....
156	First Bank Milwaukee NA	42,143	39,976	169	+ 13	178,800	110,973
157	Equitable Bank of Delaware, Dover	41,400	40,410	166	+9	0	0
158	Daiwa Bank Trust Co., New York	41,075	44,025	156		0	0
159	Chemical Bank NA, Jericho, N.Y.	41,000	40,000	168	+9	0	0
160	First Interstate Bank of Des Moines NA, Iowa	40,636	45,475	149		0	0
161	First Interstate Bancard Co. NA, Simi Valley, Calif.	40,104	35,000	187	+ 26	0	0
162	Sunshine Bank, Pensacola, Fla.	40,079	20,000	278	+116	104	0
163	PNC National Bank, Wilmington, Del.	40,000	0	.....		22,000	38,300
164	Chemical Bank Texas NA, Richardson	40,000	.....	.....		0	.....
165	Key Bank USA NA, Albany, N.Y.	39,807	39,637	170	+5	1,006	0
166	United States Trust Co., Boston	39,448	30,781	208	+ 42	10,596	0
167	Associated Kellogg Bank, Green Bay, Wis.	38,200	40,774	163		150	150
168	National Bank of Waterloo, Iowa	38,120	31,009	206	+ 38	0	1
169	First National Bank of Maryland, Baltimore	38,007	94,043	84		0	0
170	Old National Bank, Evansville, Ind.	37,911	35,421	186	+ 16	3,660	211
171	First Security Bank of Utah NA, Ogden	37,834	33,783	190	+ 19	0	0
172	First American Bank NA, Washington, D.C.	37,424	30,450	210	+ 38	55,164	32,827
173	Barnett Bank of Central Florida NA, Orlando	36,954	33,291	194	+ 21	0	0
174	Citizens National Bank, Evansville, Ind.	36,515	32,924	196	+ 22	36	0
175	Commerce Bank of Omaha NA, Neb.	36,500	36,501	182	+7	0	0
176	Citibank (Arizona), Phoenix	36,329	23,425	253	+ 77	10	0
177	Society National Bank, Cleveland	36,087	36,463	183	+6	200	6,650
178	Sovran Bank/Central South, Nashville, Tenn.	35,946	52,758	133		2,661	7,326
179	Texas Independent Bank, Irving, Tex.	35,677	33,105	195	+ 16	35,640	54,145
180	First National Bank, Wichita, Kan.	35,056	37,951	174		1,825	1,677
181	Central Trust Co. NA, Cincinnati	34,881	28,632	224	+ 43	0	0
182	AmSouth Bank NA, Birmingham, Ala.	34,207	58,748	120		98,024	11,940
183	Union Planters National Bank, Memphis, Tenn.	34,155	33,625	192	+9	367	286
184	First Bank North NA, Duluth, Minn.	33,680	32,870	197	+ 13	200	25
185	First American Bank of Georgia NA, Atlanta	33,654	24,104	247	+ 62	1,858	3,155
186	Puget Sound National Bank, Tacoma, Wash.	33,523	23,171	255	+ 69	0	0
187	Merchants Bank, Kansas City, Mo.	33,352	22,311	260	+ 73	111,548	75,470
188	First Bank Washington, Omak	32,800	32,800	198	+ 10	0	0
189	National Community Bank, Rutherford, N.J.	32,535	22,881	258	+ 69	178	132
190	First National Bank, Albuquerque, N.M.	32,415	44,563	153		131	1,044
191	LaSalle National Bank, Chicago	32,037	37,594	175		35,526	63,015
192	Magna Bank NA, Belleville, Ill.	31,956	37,306	177		530	800
193	American Security Bank NA, Washington, D.C.	31,700	37,359	176		8,206	107,211
194	FirstTier Bank NA, Omaha, Neb.	31,287	42,695	159		274	798
195	Bank One Dayton NA, Ohio	31,221	2,816	.....		26,400	22,400
196	Independent Bankers' Bank of Florida, Orlando	31,015	24,560	242	+ 46	0	4,766
197	Florida National Bank of Jacksonville	30,947	20,058	276	+ 79	3,810	9,903
198	Commercial National Bank, Kansas City, Kan.	30,756	29,940	213	+ 15	0	200
199	Third National Bank, Nashville, Tenn.	30,461	47,328	145		1,820	10,136
200	Commercial National Bank, Shreveport, La.	30,306	33,835	189		351	1,557

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by ADP Data Services Division, New York, from their "Bancall" data base. **Total correspondent balances** is the sum of domestic correspondent balances and foreign correspondent balances. **Domestic correspondent balances** are domestically-booked demand deposits due to other depository institutions in the U.S. (thrift institutions) plus domestically-booked demand deposits due to other commercial banks in the U.S. **Foreign correspondent balances** are domestically-booked demand deposits due to other banks in foreign countries; domestically-booked demand deposits due to foreign government and official institutions; and clearing balances in the bank's domestic Edge bank subsidiaries. **Edge Bank clearing balances** are the sum of transaction accounts due to foreign government and official institutions; transaction accounts due to commercial banks in the U.S.; and transaction accounts due to banks in foreign countries. For non-reporting banks, Edge data were provided by the Federal Reserve

Board, Washington D.C. **Time and savings deposits due to all banks** are nontransaction accounts due to all domestic and foreign banks, as defined above. **(a)**—A newly chartered bank created by the FDIC on 7/21/89. It was formed by the merger of 24 banks of the former Texas American Bancshares. Data for 6/30/88 are for the former Texas American Bank/Fort Worth NA.

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Rising Interest Rates Drive Correspondent Balances Down 10.5%

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all decline in the correspondent banking market and the substitution of fees for compensating balances as the primary method of payment for some correspondent services.

The correspondent banking market weakened for various reasons, including heavy merger activity of the mid-1980's, which reduced the number of medium-size U.S. banks, typically the largest users of correspondent services.

In the thrift segment of the market, increased competition from regional Federal Home Loan banks and other thrift institutions reduced the demand for correspondent services.

In addition, capital pressures at thrifts made the payment of fees for correspondent services preferable to balances. And foreign banks began to rely more and more on their own branches and affiliates in the United States for their correspondent services.

Other Survey Findings

• Citibank, New York, remained the top bank in total correspondent balances with \$2.3 billion on June 30, 1989, down 25% from the year before. And it also held on to the top spot in foreign correspondent balances with \$1.6 billion, down 14%.

• Bankers Trust Co., New York, again was the top bank in domestic correspondent balances with \$1.1 billion at midyear, down 34%. Spurred by a 20% gain in foreign correspondent balances, Bankers Trust now ranks second to Citibank in both foreign and total correspondent balances. The bank's foreign correspondent balances totaled \$1.15 billion at midyear, up from \$961 million a year earlier, when it ranked fifth; and its total correspondent balances totaled \$2.2 billion, down from \$2.6 billion a year earlier, when it ranked third.

Bankers Trust initiated a strategic plan four years ago to develop its correspondent business, or global operating and information services. Since implementing of the plan, Bankers Trust has moved up in the rankings. On June 30, 1985, Bankers Trust ranked 18th in domestic correspondent balances with \$369 million; fifth in foreign balances with \$605 million; and seventh in total balances with \$974 million.

• The largest gain in total correspondent balances that was not merger-related was posted by the three-year old Sumitomo Trust and Banking Co. USA, New York, a subsidiary of Sumitomo

Correspondent Balances at All U.S. Banks

(Dollars in millions)

	6/30/89	6/30/88	% Chg.
Demand deposits due other U.S. commercial banks ¹	25,410	\$29,208	-13.0%
Demand deposits due other U.S. depository institutions ¹	5,115	5,507	-7.1
Total domestic correspondent balances¹	30,525	34,715	-12.1
Foreign correspondent balances in U.S. banks ¹	8,507	9,989	-14.8
Foreign correspondent balances in Edge banks ²	1,461	1,518	-3.8
Total foreign correspondent balances	9,968	11,507	-13.4
Total correspondent balances:	\$40,493	\$46,222	-12.4

¹Data are for all FDIC-insured banks

²Data are "clearing balances" at all U.S. Edge banking offices

Compiled by the American Banker from data provided by the Federal Reserve Board and the Federal Deposit Insurance Corp.

Trust and Banking Co. Ltd., Osaka, Japan. Its balances, all of which are demand deposits due foreign banks, jumped up 186% to \$120.1 million at midyear from \$41.9 million the year

before. According to Robert Bielunas, a vice president at the bank, "the gain was attributable to the growth in the bank's custody business."

• According to one analyst, Sumi-

tomo is following a pattern established by other Japanese banks in the U.S. It establishes a subsidiary; learns the business, which in this case is securities custody and safekeeping; and then has its Japanese customers switch from other banks in the U.S. to its new affiliate.

• Bank of America, San Francisco, is now the largest bank in thrift correspondent balances, moving past two other California-based banks: Union Bank, San Francisco, and Security Pacific National Bank, Los Angeles. Bank of America's thrift correspondent balances totaled \$334 million on June 30, up 79% from \$187 million a year earlier.

Union Bank dropped one notch to second place this year with \$231.2 million in deposits, down 33%. And Security Pacific is now fifth with \$146.9 million in these balances, down 24%. ■

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Stemmer Leaves Unicorp, Subsidiary

By PHIL ROOSEVELT

NEW YORK — Wayne J. Stemmer has resigned as president of Unicorp American Corp. and its thrift subsidiary, Lincoln Savings Bank, New York.

Mr. Stemmer said shifts by both Unicorp and Lincoln away from his specialty, real estate investment, "make this an appropriate time for me to resign." He had been president of Unicorp American for six years.

Unicorp American has made a strategic decision to withdraw from real estate investing, while the thrift-bailout law has posed obstacles for a real estate unit of Lincoln.

"The emphasis for the company and the bank going forward necessarily has shifted toward more traditional real estate lending activities," Mr. Stemmer said.

Unicorp said Thomas V. Ogletree, chief financial officer of both Unicorp and Lincoln, has been named president and director of the thrift and a director of the parent company. ■

Top Banks in Total Correspondent Balances

Banks with demand deposits due all banks of \$25 million or more on June 30, 1989 (dollar figures in thousands)

Rank 6/89		Demand Deposits Due to All Banks 6/30/89	6/30/88	Rank 6/30/88	Gain In Rank	Time and Savings Deposits Due to All Banks 6/30/89	6/30/88
201	Texas Commerce Bank-Sugarland NA	30,035	.....	...		0	.....
202	Meridian Bank, Reading, Pa.	29,525	30,956	207	+5	5,182	33,306
203	Texas Commerce Bank-Conroe NA	29,501	.....	...		0	.....
204	Indian Head National Bank, Nashua, N.H.	29,370	16,381	...		700	19,050
205	Bankers' Bank of Wisconsin, Madison	29,255	27,704	226	+ 21	0	206
206	Worthen Bank & Trust Co. NA, Little Rock, Ark.	29,095	38,040	173		2,349	3,255
207	Bank IV Topeka NA, Topeka, Kan.	29,033	41,123	161		0	0
208	First City Texas-Beaumont NA	29,016	23,649	250	+ 42	4,102	3,069
209	Deposit Guaranty National Bank, Jackson, Miss.	28,784	58,110	124		17,774	32,610
210	Bank of Boston Connecticut, Waterbury	28,652	28,826	221	+ 11	113	122
211	Chemical Bank (Delaware), Wilmington	28,541	40,003	167		8,000	0
212	First City, Texas-Corpus Christi	28,471	18,704	...		13,216	17,118
213	First Interstate Bank of Oregon NA, Portland	28,383	42,780	157		0	0
214	United New Mexico Bank, Albuquerque	28,267	2,815	...		10,783	6,600
215	First American National Bank, Nashville, Tenn.	28,259	49,229	138		26,483	27,533
216	First Interstate Bank of Arizona NA, Phoenix	28,040	36,102	184		0	0
217	NBD Grand Rapids NA, Mich.	27,832	7,650	...		0	0
218	Michigan National Bank, Farmington Hills	27,672	11,865	...		0	0
219	Davenport Bank & Trust Co., Iowa	27,420	29,888	214		2,949	21,091
220	Ameritrust National Bank, Elkhart, Ind.	27,295	27,831	225	+5	30,400	1,500
221	First Union National Bank of Florida, Jacksonville	27,235	45,061	152		0	0
222	Chester Bank, Conn.	27,000	27,000	231	+9	402	712
223	NBD Evanston Bank NA, Ill.	26,716	.....	...		0	.....
224	Whitney National Bank, New Orleans	26,235	32,322	201		123	523
225	Independent State Bank of Minnesota, Minneapolis	26,231	31,301	203		0	850
226	Extebank, Stony Brook, N.Y.	26,004	14,648	...		1,948	0
227	United Missouri Bank of St. Louis NA	25,876	29,849	215		0	0
228	First National Bankers' Bank, Baton Rouge, La.	25,624	21,032	265	+ 37	207	0
229	Fort Wayne National Bank, Ind.	25,202	20,932	267	+ 38	100	200
Totals for banks with \$25 million or more in these balances ¹		36,315,857	40,566,191†	-10.5%		9,360,069	11,598,653‡

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by **ADP Data Services Division, New York**, from their "Bancall" data base. **Total correspondent balances** are the sum of domestic correspondent balances and foreign correspondent balances. **Domestic correspondent balances** are domestically-booked demand deposits due to other depository institutions in the U.S. (thrift insti-

tutions) plus domestically-booked demand deposits due to other commercial banks in the U.S. **Foreign correspondent balances** are domestically-booked demand deposits due other banks in foreign countries; domestically-booked demand deposits due foreign government and official institutions; and clearing balances in the bank's domestic Edge bank subsidiaries. **Edge Bank clearing balances** are the sum of transaction accounts due foreign government and official institutions; transaction accounts due commercial

banks in the U.S.; and transaction accounts due banks in foreign countries. For non-reporting banks, Edge data were provided by the Federal Reserve Board, Washington D.C. **Time and savings deposits due to all banks** are nontransaction accounts due all domestic and foreign banks, as defined above. (†)—The 1988 totals are for the 241 banks with \$25 million or more in total correspondent balances on June 30, 1988. (‡)—Revised. **Compiled by American Banker, Copyright 1989.**

Top Banks in Foreign Correspondent Balances

Banks with demand deposits due foreign banks of \$25 million or more on June 30, 1989 (dollar figures in thousands)
(Dollar Figures in Thousands)

Rank 6/89		Demand Deposits Due Foreign Banks 6/30/89	6/30/88	Rank 6/30/88	Gain In Rank	Time/Savings Deposits Due Foreign Banks 6/30/89	6/30/88
1	Citibank NA, New York	1,602,713	1,865,000	1		18,000	37,000
2	Bankers Trust Co., New York	1,151,290	961,062	5	+3	0	1,036
3	Chase Manhattan Bank NA, New York	1,144,046	1,440,040	2		29,183	28,361
4	Irving Trust Co., New York (a)	1,011,680	1,185,729	3		3,734	22,853
5	Manufacturers Hanover Trust Co., New York	679,421	1,039,892	4		58,119	97,787
6	Morgan Guaranty Trust Co., New York	522,522	764,016	6		51,142	60,887
7	Bank of America NT&SA, San Francisco	411,025	407,552	8	+1	59,246	341,660
8	Philadelphia National Bank	302,624	302,391	10	+2	500	834
9	Brown Brothers Harriman & Co., New York	276,511	298,009	11	+2	21,286	14,815
10	Marine Midland Bank NA, Buffalo, N.Y.	210,438	187,909	13	+3	22	197
11	First National Bank of Chicago	200,601	251,957	12	+1	27,608	26,628
12	Bank of California NA, San Francisco	192,240	160,417	15	+3	200	1,000
13	National Westminster Bank USA, New York	183,032	142,311	17	+4	1,856	7,209
14	Harris Trust & Savings Bank, Chicago	161,880	73,635	24	+ 10	36	241
15	Sumitomo Trust & Banking Co. USA, New York	120,067	41,928	28	+ 13	0	0
16	Security Pacific National Bank, Los Angeles	115,207	41,155†	29	+ 13	2,091	10,179†
17	Citizens & Southern National Bank, Atlanta	109,482	87,066	21	+4	4,100	273,060
18	First National Bank, Boston	108,254	172,514	14		11,268	12,507
19	First Interstate Bank of California, Los Angeles	105,277	97,758	20	+1	4,066	13,201
20	Mitsui Manufacturers Bank, Los Angeles	101,789	152,447	16		0	549
21	Mellon Bank NA, Pittsburgh	87,936	105,161	19		460	552
22	Riggs National Bank, Washington, D.C.	75,410	70,113	25	+3	5,917	24,606
23	Seattle-First National Bank	57,285	13,987	...		104	127
24	Chemical Bank, New York	57,000	308,000	9		74,000	68,000
25	Bank of New York	51,171	52,624†	26‡	+1	0	0
26	Republic National Bank, New York	42,774	32,608	30	+4	0	0
27	European American Bank, New York	37,923	43,044	27		1	278
28	Northern Trust Co., Chicago	36,475	75,184	23		144	144
29	Fidelity Bank NA, Philadelphia	34,419	8,000	...		1,355	0
30	Wells Fargo Bank NA, San Francisco	34,188	47,630	26		81	85
31	Bank of New England NA, Boston	32,919	2,566	...		15,464	5,981
32	IBJ Schroder Bank & Trust Co., New York	29,900	23,610	33	+1	40,413	13,369
33	NCNB Texas National Bank, Dallas (b)	27,273	20,679	34	+1	0	0
34	Extebank, Stony Brook, N.Y.	26,004	14,648	...		1,948	0
Totals for banks with \$25 million or more in these balances ¹		9,340,776	10,659,757†	-12.4%		432,344	1,075,398†

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by **ADP Data Services Division, New York**, from their "Bancall" data base. **Foreign correspondent balances** are demand deposits due to foreign banks and include: domestically-booked demand deposits due other banks in foreign countries; domestically-booked demand deposits due foreign government and official institutions;

and "clearing balances" in the bank's domestic Edge bank subsidiaries. **Clearing balances** are transaction accounts due: foreign government and official institutions; commercial banks in the U.S.; and foreign banks in foreign countries. **Time and savings deposits due to foreign banks** are non-transaction accounts due foreign banks. (†)—Edge bank data were not available. Therefore, the 6/30/89 and 6/30/88 data for this bank are not comparable. (a)—Merged into Bank of New York on 10/6/89. (b)—The bank

was created on 7/30/88 by the FDIC when 40 bank subsidiaries of the former First RepublicBank Corp. were merged into one institution. Data for 6/30/88 are for First RepublicBank Dallas NA. (†)—Revised to include Edge bank data. (‡)—Revised for reporting error by bank. (†)—The 1988 totals are for the 32 banks with \$25 million or more in foreign correspondent balances on June 30, 1988. (†)—Revised.

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Top Banks in Domestic Correspondent Balances

Banks with demand deposits due U.S. banks of \$25 million or more on June 30, 1989 (dollar figures in thousands)

Rank 6/89	Demand Deposits Due U.S. Banks 6/30/89	Demand Deposits Due U.S. Banks 6/30/88	Rank 6/30/88	Gain In Rank	Time and Svgs Dep. Due U.S. Banks 6/30/89	Time and Svgs Dep. Due U.S. Banks 6/30/88
1	Bankers Trust Co., New York	1,078,585	1,645,158	1	573,928	589,405
2	Manufacturers Hanover Trust Co., New York	1,010,000	1,211,000	3	256,000	229,000
3	Bank of America NT&SA, San Francisco	999,000	805,000	6	28,000	31,000
4	Security Pacific National Bank, Los Angeles	820,121	811,082	5	4,856	11,869
5	Chase Manhattan Bank NA, New York	779,570	1,257,247	2	149,080	67,285
6	Citibank NA, New York	653,000	1,145,000	4	31,000	146,000
7	Union Bank, San Francisco (a)	592,453	59,375	108	8,981	0
8	NCNB Texas National Bank, Dallas (b)	586,106	488,447	11	209,250	496,194
9	First Interstate Bank of California, Los Angeles	539,520	716,533	7	8,514	9,521
10	Morgan Guaranty Trust Co., New York	520,968	354,690	17	443,174	163,638
11	Chemical Bank, New York	453,000	436,000	12	39,000	295,000
12	First National Bank of Chicago	429,913	494,565	10	384,126	200,018
13	National Bank of Detroit	375,682	384,022	13	202,268	204,942
14	Philadelphia National Bank	368,396	368,466	16	63,742	165,674
15	Continental Bank NA, Chicago	360,015	379,008	15	224,668	443,681
16	Boatmen's National Bank, St. Louis, Mo.	351,313	213,540	33	282,130	57,097
17	Harris Trust & Savings Bank, Chicago	327,780	382,538	14	2,206	3,000
18	First National Bank of Atlanta	327,388	225,683	30	31,968	35,146
19	Mellon Bank NA, Pittsburgh	277,084	321,081	19	67,082	253,626
20	First National Bank, Boston	274,371	198,307	37	101,426	12,200
21	First Tennessee Bank NA, Memphis	267,435	288,824	21	0	0
22	Connecticut National Bank, Hartford	266,233	301,615	20	1,851	805
23	Southeast Bank NA, Miami	237,311	235,765	27	999	13,796
24	First Wisconsin National Bank, Milwaukee	236,809	215,275	32	66,445	71,261
25	Community Bank, Pasadena, Calif.	232,548	267,256	23	3,900	8,265
26	First Pennsylvania Bank NA, Philadelphia	230,459	128,075	59	28,950	33,700
27	INB National Bank, Indianapolis	222,690	241,090	26	179,214	155,215
28	Wells Fargo Bank NA, San Francisco	218,936	200,448	35	4,257	5,757
29	First National Bank of Commerce, New Orleans	209,385	179,821	41	2,000	2,170
30	American National Bank & Trust Co., Chicago	203,436	245,495	24	11,250	0
31	United Bank of Denver NA	201,805	229,066	28	32,927	46,584
32	First Bank NA, Minneapolis	194,176	218,829	31	57,254	169,297
33	Crestar Bank, Richmond	188,757	157,570	45	102,710	265,810
34	Texas Commerce Bank-Dallas NA	187,319	268,237	22	6,041	5,934
35	Barnett Bank of Jacksonville NA, Fla.	180,880	133,295	55	0	0
36	Boatmen's First National Bank, Kansas City, Mo.	177,239	173,726	42	7,139	37,920
37	First Fidelity Bank NA, Newark, N.J.	169,416	112,471	61	9,557	18,163
38	Norwest Bank Minneapolis NA	169,338	180,527	40	2,550	6,156
39	Northern Trust Co., Chicago	168,845	229,065	29	15,584	13,604
40	NCNB National Bank of Florida NA, Tampa	168,549	187,563	39	0	0
41	Mellon Bank (East), Philadelphia	163,651	141,674	52	71,151	79,569
42	Bank of New York	158,284	201,385	34	2,400	1,100
43	Marine Midland Bank NA, Buffalo, N.Y.	155,247	154,063	47	493,159	144,543
44	Valley National Bank, Phoenix, Ariz.	154,454	191,087	38	571	2,990
45	Bank One, Texas, NA, Dallas (c)	153,469	344,041	18	427,289	545,986
46	Trust Company Bank, Atlanta	152,431	135,642	53	3,495	7,168
47	Nationar, New York (d)	152,401	132,762	56	791	1,128
48	Irving Trust Co., New York (e)	150,011	653,962	9	75,939	127,973
49	Texas Commerce Bank NA, Houston	145,718	199,282	36	1,155	3,210
50	First Florida Bank NA, Tampa	144,161	107,880	63	0	0
51	Bank of New England NA, Boston	136,862	143,440	51	87,695	149,590
52	U.S. Bank of Washington NA, Seattle	135,434	58,218	113	3,920	2,102
53	Merchants National Bank & Trust Co., Indianapolis	135,209	110,386	62	6,718	11,387
54	Maryland National Bank, Baltimore	130,873	130,300	57	690	0
55	Provident National Bank, Philadelphia	130,165	147,949	49	130,874	142,081
56	Sovran Bank NA, Richmond	129,826	84,404	80	71,046	116,432
57	Citizens Fidelity Bank & Trust Co., Louisville, Ky.	129,398	161,958	44	26,600	287,810
58	Wachovia Bank & Trust Co. NA, Winston-Salem, N.C.	127,431	146,175	50	15,756	27,904
59	Liberty National Bank & Trust Co., Louisville, Ky.	126,394	164,725	43	20,970	19,684
60	United Missouri Bank of Kansas City NA	126,125	152,082	48	119,470	25,767
61	Shawmut Bank NA, Boston	123,901	105,015	65	0	700
62	SouthTrust Bank of Alabama NA, Birmingham	122,736	98,085	71	11,735	21,194
63	Old Kent Bank & Trust Co., Grand Rapids, Mich.	116,953	26,373	223	25,000	0
64	Sun Bank NA, Orlando, Fla.	114,130	93,752	74	0	0
65	Mercantile Bank NA, St. Louis, Mo.	111,670	99,066	70	50,627	87,635
66	City National Bank, Beverly Hills, Calif.	111,520	69,077	92	11,020	1,800
67	Commerce Bank of Kansas City NA, Mo.	110,862	129,528	58	7,404	9,483
68	Pittsburgh National Bank	110,530	102,362	67	312,993	159,257
69	First City, Texas-Houston NA	105,301	134,763	54	409,411	631,929
70	Bank One Milwaukee NA, Wis.	105,161	93,818	72	64,605	92,250
71	Connecticut Bank & Trust Co. NA, Hartford	104,213	93,459	75	16,316	8,092
72	First National Bank, Louisville, Ky.	99,278	107,757	64	27,242	20,596
73	Colorado National Bank, Denver	99,254	81,141	84	46,208	16,003
74	Bank One Indianapolis NA	98,342	93,766	73	85,840	44,562
75	Frost National Bank, San Antonio, Tex.	95,526	81,777	83	0	0
76	Barnett Bank of South Florida NA, Miami	92,055	86,362	78	0	0
77	First Interstate Bank of Texas NA, Houston	91,979	104,706	66	15,197	54,927
78	First City, Texas-Dallas	90,477	78,509	86	54,684	70,074
79	M&I Marshall & Ilsley Bank, Milwaukee, Wis.	89,014	155,523	46	0	0
80	Midlantic National Bank, Newark, N.J.	88,493	41,783	150	35	27
81	Dominion Bank NA, Roanoke, Va.	87,640	58,415	111	1,480	8,193
82	Bank South NA, Atlanta	87,359	85,476	79	15,107	21,448
83	Seattle-First National Bank	83,211	82,512	81	6,716	18,214
84	Midlantic National Bank/North, West Paterson, N.J.	82,121	67,551	95	0	0
85	Fifth Third Bank, Cincinnati	80,687	59,563	107	12,699	15,222
86	National City Bank, Cleveland	80,001	60,928	104	4,296	5,682
87	South Carolina National Bank, Columbia	76,665	78,738	85	0	16,920
88	Star Bank NA, Cincinnati	75,768	65,764	99	171,130	33,770
89	Bank One Columbus NA, Ohio	74,911	26,310	224	126,996	18,000
90	Manufacturers National Bank, Detroit	74,506	59,563	106	56,254	57,957
91	Barnett Bank of Tampa NA, Fla.	73,941	64,350	101	0	0
92	First National Bank, Lubbock, Tex.	73,767	48,850	132	4,110	500
93	First National Bank, Omaha, Neb.	71,747	51,338	127	26,481	600
94	Texas American Bridge Bank NA, Fort Worth (f)	68,559	101,357	68	123,589	345,976
95	Security Pacific Bank-Arizona, Phoenix	64,299	57,016	117	6	38
96	National Bank of Commerce T&S Assn., Lincoln, Neb.	63,847	64,602	100	100	100
97	First Interstate Bank of Denver NA	62,656	67,719	94	50,886	66,733
98	Marquette Bank Minneapolis NA	61,636	57,556	115	17,948	10,227
99	Exchange National Bank, Chicago	61,154	68,590	93	100	300
100	First Commercial Bank NA, Little Rock, Ark.	61,105	63,285	103	0	0

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by ADP Data Services Division, New York, from their "Bancall" data base. Domestic correspondent balances are demand deposits due U.S. banks and include: domestically-booked demand deposits due to other depository institutions in the U.S. (thrift institutions) plus domestically-booked demand deposits due to other commercial banks in the U.S. Time and savings deposits due to domes-

tic banks are nontransaction accounts due domestic banks and thrifts. (a)— On 10/31/88, California First Bank merged Union Bank, Los Angeles and changed title. Data for 6/30/88 are for California First Bank. (b)— The bank was created on 7/30/88 by the FDIC when 40 bank subsidiaries of the former First RepublicBank Corp. were merged into one institution. Data for 6/30/88 are for First RepublicBank Dallas NA. (c)— The bank— formerly known as Deposit Insurance Bridge Bank NA— was formed by the FDIC on 3/29/89 through the merger of 20 former MCorp banks taken over by the

FDIC. The bank assumed its current title on 7/5/89. Data for 6/30/88 are for MBank Dallas NA. (d)— Formerly known as Savings Banks Trust Co. (e)— Merged into Bank of New York on 10/6/89. (f)— A newly chartered bank created by the FDIC on 7/21/89. It was formed by the merger of 24 banks of the former Texas American Bancshares. Data for 6/30/88 are for the former Texas American Bank/Fort Worth NA.

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Continued on Page 22

Top Banks in Domestic Correspondent Balances

Banks with demand deposits due U.S. banks of \$25 million or more on June 30, 1989 (dollar figures in thousands)

Rank 6/89		Demand Deposits Due U.S. Banks 6/30/89	6/30/88	Rank 6/30/88	Gain In Rank	Time and Svgs Dep. Due U.S. Banks 6/30/89	6/30/88
101	Trustmark National Bank, Jackson, Miss.	61,044	50,175	130	+ 29	17,706	1,341
102	Mercantile-Safe Deposit & Trust Co., Baltimore	60,375	50,234	129	+ 27	0	0
103	Security Pacific Bank Oregon, Portland	60,275	38,733	162	+ 59	0	379
104	Security Pacific Bank Washington, Seattle	58,650	54,578	122	+ 18	7,456	11,786
105	Merchants National Bank, Cedar Rapids, Iowa	58,378	70,343	90		7,724	11,570
106	Bank of Oklahoma NA, Tulsa	57,833	53,641	124	+ 18	13,528	50,600
107	Comerica Bank-Detroit	57,777	36,216	172	+ 65	6,819	11,881
108	Central Bank of the South, Birmingham, Ala.	57,749	53,984	123	+ 15	3,133	42,130
109	Liberty National Bank & Trust Co., Oklahoma City	57,366	63,935	102		142	2,008
110	American National Bank & Trust Co., St. Paul, Minn.	56,035	58,853	110		69,263	19,999
111	Zions First National Bank, Salt Lake City, Utah	55,199	48,438	135	+ 24	1,000	1,000
112	Sun Bank/Miami NA	53,928	48,677	133	+ 21	0	5,032
113	National Bank of Commerce, Memphis	52,898	56,541	119	+ 6	1,450	5,100
114	United Carolina Bank, Whiteville, N.C.	52,841	33,470	182	+ 68	0	0
115	Ameritrust Co. NA, Cleveland	52,291	82,212	82		4,372	1,451
116	State Street Bank & Trust Co., Boston	52,277	38,810	161	+ 45	75,114	15,178
117	FirsTier Bank NA, Lincoln, Neb.	52,230	74,393	88		3,579	6,186
118	Signet Bank/Maryland, Baltimore	52,050	48,024	136	+ 18	0	4,100
119	First Interstate Bank of Oklahoma NA, Oklahoma City	51,873	60,401	105		2,065	160
120	BayBank Boston NA	51,464	66,465	97		0	0
121	Equitable Bank NA, Baltimore	51,188	70,165	91		1,356	3,343
122	United Jersey Bank, Hackensack, N.J.	50,321	51,872	126	+ 4	0	0
123	NCNB National Bank of North Carolina, Charlotte	49,854	56,303	120		11,500	18,600
124	Central Bank of Denver	49,699	58,385	112		1,500	1,260
125	Bank IV Wichita NA, Kan.	49,674	67,220	96		35,486	3,175
126	Victoria Bank & Trust Co., Tex.	49,257	47,277	137	+ 11	77	1,876
127	United States National Bank, Portland, Ore.	47,913	47,172	139	+ 12	0	0
128	Comerica Bank-Jackson NA, Mich.	47,694	37,291	166	+ 38	0	0
129	Fidelity Bank NA, Philadelphia	47,578	124,584	60		80,967	1,823
130	Lincoln National Bank & Trust Co., Fort Wayne, Ind.	47,572	26,863	221	+ 91	58,577	9,997
131	Security National Bank, Sioux City, Iowa	47,534	44,241	145	+ 14	400	0
132	Hibernia National Bank, New Orleans	47,236	43,445	147	+ 15	6,192	24,410
133	INB National Bank, Northwest, Lafayette, Ind.	45,275	.....	.....		1,610	.....
134	Shawmut Worcester County Bank NA, Worcester, Mass.	45,184	36,668	169	+ 35	100	500
135	Norwest Bank Nebraska NA, Omaha, Neb.	44,974	45,194	142	+ 7	0	0
136	First National Bank & Trust Co., Tulsa, Okla.	44,688	46,103	140	+ 4	50	5,753
137	Citizens & Southern Trust Co. (Georgia) NA, Atlanta	44,500	.....	.....		0	.....
138	MBank Corpus Christi NA, Tex.	44,380	73,273	89		73,565	61,942
139	Citizens & Southern Trust Co. (South Carolina) NA, Columbia	44,000	.....	.....		0	.....
140	Independence One Bank NA, Rapid City, SD	43,987	.....	.....		0	.....
141	Norwest Bank Des Moines NA, Iowa	43,655	56,708	118		200	851
142	Premier Bank, NA, Baton Rouge, La.	43,408	11,157	.....		2,570	3,434
143	Sovran Bank Delaware, New Castle	42,500	40,500	154	+ 11	0	0
144	Citizens & Southern Trust Co. (Florida) NA, Fort Myers	42,500	.....	.....		0	.....
145	First Bank Milwaukee NA	42,143	39,976	158	+ 13	178,800	110,973
146	Equitable Bank of Delaware, Dover	41,400	40,410	155	+ 9	0	0
147	Chemical Bank NA, Jericho, N.Y.	41,000	40,000	157	+ 10	0	0
148	Daiwa Bank Trust Co., New York	40,884	43,930	146		0	0
149	First Interstate Bank of Des Moines NA, Iowa	40,636	45,475	141		0	0
150	First Interstate Bancard Co. NA, Simi Valley, Calif.	40,104	35,000	176	+ 26	0	0
151	Sunshine Bank, Pensacola, Fla.	40,079	20,000	268	+117	104	0
152	PNC National Bank, Wilmington, Del.	40,000	0	.....		22,000	38,300
153	Chemical Bank Texas NA, Richardson	40,000	.....	.....		0	.....
154	Key Bank USA NA, Albany, N.Y.	39,807	39,637	159	+ 5	1,006	0
155	Riggs National Bank, Washington, D.C.	39,612	41,000	152		616	5,567
156	United States Trust Co., Boston	39,448	30,781	198	+ 42	10,596	0
157	Associated Kellogg Bank, Green Bay, Wis.	38,200	40,774	153		150	150
158	Bank of Hawaii, Honolulu	38,156	32,003	192	+ 34	0	0
159	National Bank of Waterloo, Iowa	38,120	31,009	196	+ 37	0	1
160	Citizens & Southern National Bank, Atlanta	38,114	58,945	109		32,922	21,504
161	Old National Bank, Evansville, Ind.	37,911	35,421	175	+ 14	3,660	211
162	First Security Bank of Utah NA, Ogden	37,780	33,621	181	+ 19	0	0
163	Barnett Bank of Central Florida NA, Orlando	36,954	33,291	184	+ 21	0	0
164	Citizens National Bank, Evansville, Ind.	36,515	32,924	186	+ 22	36	0
165	Commerce Bank of Omaha NA, Neb.	36,500	36,501	170	+ 5	0	0
166	Citibank (Arizona), Phoenix	36,329	23,425	241	+ 75	0	0
167	Texas Independent Bank, Irving, Tex.	35,677	33,105	185	+ 18	35,640	54,145
168	First National Bank, Wichita, Kan.	35,056	37,951	164		1,825	1,677
169	First National Bank of Maryland, Baltimore	34,032	91,280	76		0	0
170	Central Trust Co. NA, Cincinnati	33,735	27,663	216	+ 46	0	0
171	Union Planters National Bank, Memphis, Tenn.	33,690	33,327	183	+ 12	367	286
172	First Bank North NA, Duluth, Minn.	33,680	32,870	187	+ 15	200	25
173	First American Bank of Georgia NA, Atlanta	33,654	24,104	234	+ 61	1,858	3,155
174	Society National Bank, Cleveland	33,451	32,569	190	+ 16	200	6,650
175	Puget Sound National Bank, Tacoma, Wash.	33,364	23,063	244	+ 69	0	0
176	Merchants Bank, Kansas City, Mo.	33,352	22,311	249	+ 73	111,548	75,470
177	AmSouth Bank NA, Birmingham, Ala.	33,167	57,383	116		98,024	11,940
178	First Bank Washington, Omak	32,800	32,800	188	+ 10	0	0
179	First National Bank, Albuquerque, N.M.	32,415	44,563	144		131	1,044
180	Magna Bank NA, Belleville, Ill.	31,956	37,306	165		530	800
181	FirsTier Bank NA, Omaha, Neb.	31,199	42,621	149		274	798
182	Sovran Bank/Central South, Nashville, Tenn.	31,043	50,364	128		2,661	7,326
183	Independent Bankers' Bank of Florida, Orlando	31,015	24,560	231	+ 48	0	4,766
184	Bank One Dayton NA, Ohio	30,928	2,617	.....		26,400	22,400
185	Commercial National Bank, Kansas City, Kan.	30,756	29,940	201	+ 16	0	200
186	Commercial National Bank, Shreveport, La.	30,306	33,835	179		351	1,557
187	Third National Bank, Nashville, Tenn.	30,035	47,224	138		1,820	10,136
188	Texas Commerce Bank-Sugarland NA	30,035	.....	.....		0	.....
189	National Community Bank, Rutherford, N.J.	29,748	21,111	256	+ 67	178	132
190	European American Bank, New York	29,704	74,703	87		700	1,100
191	Texas Commerce Bank-Conroe NA	29,501	.....	.....		0	.....
192	Indian Head National Bank, Nashua, N.H.	29,370	16,381	.....		700	19,050
193	Bankers' Bank of Wisconsin, Madison	29,255	27,704	214	+ 21	0	206
194	Worthern Bank & Trust Co. NA, Little Rock, Ark.	29,095	38,040	163		2,349	3,255
195	Bank IV Topeka NA, Topeka, Kan.	29,033	41,123	151		0	0
196	First City Texas-Beaumont NA	29,016	23,649	238	+ 42	4,102	3,069
197	Bank of Boston Connecticut, Waterbury	28,652	28,826	209	+ 12	113	122
198	Chemical Bank (Delaware), Wilmington	28,541	40,003	156		8,000	0
199	First City, Texas-Corpus Christi	28,471	18,704	.....		13,216	17,118
200	Deposit Guaranty National Bank, Jackson, Miss.	28,402	57,916	114		17,774	32,610

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by ADP Data Services Division,

New York, from their "Bancall" data base. Domestic correspondent balances are demand deposits due U.S. banks and include: domestically-booked demand deposits due to other depository institutions in the U.S.

(thrift institutions) plus domestically-booked demand deposits due to other commercial banks in the U.S. Time and savings deposits due to domestic banks are nontransaction accounts due domestic banks and thrifts.

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Top Banks in Domestic Correspondent Balances

Banks with demand deposits due U.S. banks of \$25 million or more on June 30, 1989 (dollar figures in thousands)

Rank 6/89		Demand Deposits Due U.S. Banks 6/30/89	6/30/88	Rank 6/30/88	Gain in Rank	Time and Svgs Dep. Due U.S. Banks 6/30/89	6/30/88
201	United New Mexico Bank, Albuquerque	28,267	2,815	...		10,783	6,600
202	First American National Bank, Nashville, Tenn.	28,092	49,147	131		26,483	27,533
203	NBD Grand Rapids NA, Mich.	27,832	7,650	...		0	0
204	First Interstate Bank of Arizona NA, Phoenix	27,699	34,773	177		0	0
205	First American Bank NA, Washington, D.C.	27,645	22,307	250	+ 45	0	0
206	Davenport Bank & Trust Co., Iowa	27,420	29,888	202		2,949	21,091
207	Ameritrust National Bank, Elkhart, Ind.	27,295	27,831	213	+6	30,400	1,500
208	Meridian Bank, Reading, Pa.	27,267	29,652	207		5,182	33,306
209	First Union National Bank of Florida, Jacksonville	27,235	45,061	143		0	0
210	Michigan National Bank, Farmington Hills	27,149	11,419	...		0	0
211	Chester Bank, Conn.	27,000	27,000	220	+9	402	712
212	NBD Evanston Bank NA, Ill.	26,716	...	...		0	...
213	Independent State Bank of Minnesota, Minneapolis	26,231	31,301	193		0	850
214	United Missouri Bank of St. Louis NA	25,876	29,849	203		0	0
215	First National Bankers' Bank, Baton Rouge, La.	25,624	21,032	257	+ 42	207	0
216	First Interstate Bank of Oregon NA, Portland	25,432	36,291	171		0	0
217	Fort Wayne National Bank, Ind.	25,202	20,932	258	+ 41	100	200
Totals for banks with \$25 million or more in these balances ¹		26,249,262	29,208,495	-10.1%		8,102,789	9,455,092

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by ADP Data Services Division, New York, from their "Bancall" data base. Domestic correspondent bal-

ances are demand deposits due U.S. banks and include: domestically-booked demand deposits due to other depository institutions in the U.S. (thrift institutions) plus domestically-booked demand deposits due to other commercial banks in the U.S. Time and savings deposits due to domes-

tic banks are nontransaction accounts due domestic banks and thrifts. (*)—The 1988 totals are for the 230 banks with \$25 million or more in domestic correspondent balances on June 30, 1988.

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Top 100 Banks in Thrift Correspondent Balances

On June 30, 1989, compared with June 30, 1988 (dollar figures in thousands)

Rank 6/89		Deposits Due to Thrifts 6/30/89	6/30/88	% Chg.	Rank 6/89		Deposits Due to Thrifts 6/30/89	6/30/88	% Chg.
1	Bank of America NT&SA, San Francisco	334,000	187,000	78.61	51	Sun Bank/Miami NA	20,964	19,297	-8.64
2	Union Bank, San Francisco (a)	231,222	57,343	303.23	52	First National Bank of Chicago	20,472	20,874	-1.93
3	Manufacturers Hanover Trust Co., New York	154,000	124,000	24.19	53	First American Bank of Georgia NA, Atlanta	20,168	15,932	26.59
4	Nationar, New York (b)	152,401	132,762	14.79	54	Union Trust Co., Stamford, Conn.	19,795	15,510	27.63
5	Security Pacific National Bank, Los Angeles	146,892	194,532	-24.49	55	Bank of New England-West NA, Springfield, Mass.	19,330	18,043	7.13
6	First Interstate Bank of California, Los Angeles	105,419	130,077	-18.96	56	City National Bank, Beverly Hills, Calif.	18,827	20,510	-8.21
7	NCNB National Bank of Florida NA, Tampa	103,880	15,406	574.28	57	Puget Sound National Bank, Tacoma, Wash.	18,812	15,873	18.52
8	U.S. Bank of Washington NA, Seattle	103,092	27,143	279.81	58	United States National Bank, Portland, Ore.	18,000	19,882	-9.47
9	Chemical Bank, New York	84,000	41,000	104.88	59	Casco Northern Bank NA, Portland, Me.	17,671	17,015	3.86
10	Irving Trust Co., New York (c)	79,521	68,971	15.30	60	European American Bank, New York	16,831	20,179	-16.59
11	First National Bank of Atlanta	72,684	42,178	72.33	61	First Fidelity Bank NA/South Jersey, Burlington Twp.	16,779	11,314	48.30
12	Bank of New England NA, Boston	72,533	74,985	-3.27	62	National Community Bank, Rutherford, N.J.	16,734	9,185	82.19
13	Chase Manhattan Bank NA, New York	68,869	26,745	157.50	63	Wilmington Trust Co., Del.	16,706	14,871	12.34
14	Connecticut National Bank, Hartford	61,998	55,701	11.31	64	Key Bank NA, Albany, N.Y.	16,436	26,545	-38.08
15	First National Bank, Boston	60,646	76,151	-20.36	65	Wells Fargo Bank NA, San Francisco	16,421	11,868	38.36
16	Crestar Bank, Richmond	59,247	37,912	56.28	66	American National Bank & Trust Co., Chicago	16,414	13,030	25.97
17	Southeast Bank NA, Miami	58,238	73,076	-20.30	67	First Tennessee Bank NA, Memphis	16,367	19,801	-17.34
18	Valley National Bank, Phoenix, Ariz.	54,685	53,513	2.19	68	Central Bank, San Francisco	16,146	14,322	12.74
19	Wachovia Bank & Trust Co. NA, Winston-Salem, N.C.	54,157	53,261	1.68	69	Florida National Bank of Jacksonville	16,131	11,639	38.59
20	First Fidelity Bank NA, Newark, N.J.	53,917	36,287	48.58	70	Central Bank of the South, Birmingham, Ala.	15,818	16,448	-3.83
21	Citibank NA, New York	52,000	28,000	85.71	71	United Bank of Denver NA	15,661	17,841	-12.22
22	Signet Bank/Maryland, Baltimore	46,699	42,986	8.64	72	National State Bank, Elizabeth, N.J.	15,518	24,769	-37.35
23	First Florida Bank NA, Tampa	44,942	38,849	15.68	73	First Security Bank of Utah NA, Ogden	15,122	11,757	28.62
24	Harris Trust & Savings Bank, Chicago	42,313	52,248	-19.02	74	Shawmut Worcester Cnty. Bk NA, Worcester, Mass.	15,115	13,728	10.10
25	Maryland National Bank, Baltimore	38,560	24,892	54.91	75	Fidelity Bank NA, Philadelphia	15,085	25,204	-40.15
26	Connecticut Bank & Trust Co. NA, Hartford	38,309	41,370	-7.40	76	Continental Bank NA, Chicago	14,768	11,187	32.01
27	Midlantic National Bank/North, West Paterson, N.J.	38,205	25,977	47.07	77	Bank One, Texas, NA, Dallas	14,503	15,197	-4.57
28	State Street Bank & Trust Co., Boston	36,557	35,326	3.48	78	First National Bank, Louisville, Ky.	14,418	16,925	-14.81
29	Bank of Hawaii, Honolulu	35,823	28,817	24.31	79	Provident National Bank, Philadelphia	14,213	9,020	57.57
30	Security Pacific Bank-Arizona, Phoenix	34,516	19,792	74.39	80	Marine Midland Bank NA, Buffalo, N.Y.	13,344	17,219	-22.50
31	United Jersey Bank, Hackensack, N.J.	30,786	30,295	1.62	81	Eastland Bank, Woodsocket, R.I.	13,054	...	...
32	First Wisconsin National Bank, Milwaukee	30,473	39,663	-23.17	82	BancOhio National Bank, Columbus	12,992	14,175	-8.35
33	Sovran Bank NA, Richmond	30,367	26,847	13.11	83	BayBank Middlesex, Burlington, Mass.	12,818	13,117	-2.28
34	First Bank Milwaukee NA	30,317	32,753	-7.44	84	Sanwa Bank California, San Francisco	12,732	8,025	58.65
35	National Bank of Detroit	28,775	15,625	84.16	85	Sunwest Bank of Albuquerque NA, N.M.	12,328	13,540	-8.95
36	NBD Grand Rapids NA, Mich.	27,832	2,468	1,027.71	86	Bank of New York	12,234	16,042	-23.74
37	Pittsburgh National Bank	27,148	29,529	-8.06	87	American Security Bank NA, Washington, D.C.	11,780	15,561	-24.30
38	Shawmut Bank NA, Boston	25,988	25,783	0.80	88	Fifth Third Bank, Cincinnati	11,718	11,798	-0.68
39	NCNB Texas National Bank, Dallas	25,306	3,433	637.14	89	First City, Texas-Houston NA	11,529	9,916	16.27
40	First National Bank of Maryland, Baltimore	24,753	29,144	-15.07	90	Citizens National Bank, Evansville, Ind.	11,163	7,219	54.63
41	Security Pacific Bank Washington, Seattle	24,529	30,221	-18.83	91	Republic National Bank, New York	11,095	6,978	59.00
42	Boston Safe Deposit & Trust Co.	24,062	34,391	-30.03	92	Southwest Bank, Vista, Calif.	10,354	5,435	90.51
43	Seattle-First National Bank	23,577	20,925	12.67	93	Midlantic National Bank, Newark, N.J.	10,160	17,626	-42.36
44	First Interstate Bank of Arizona NA, Phoenix	23,228	11,644	99.48	94	South Carolina National Bank, Columbia	10,049	18,940	-46.94
45	First Pennsylvania Bank NA, Philadelphia	23,146	24,999	-7.41	95	National Westminster Bank USA, New York	9,751	19,562	-50.15
46	Bank of Boston Connecticut, Waterbury	23,131	23,403	-1.16	96	National City Bank, Cleveland	9,614	8,130	18.25
47	Star Bank NA, Cincinnati	23,077	15,188	51.94	97	Ameritrust Co. NA, Cleveland	9,344	33,969	-72.49
48	Bankers Trust Co., New York	22,972	26,364	-12.87	98	Liberty National Bank & Trust Co., Louisville, Ky.	9,201	8,345	10.26
49	Hibernia National Bank, New Orleans	21,139	19,325	9.39	99	Texas Commerce Bank NA, Houston	9,198	2,002	359.44
50	Sun Bank NA, Orlando, Fla.	20,986	28,928	-27.45	100	BayBank Boston NA	8,791	6,056	45.16
Totals for the top 100 [†]		3,753,391	3,496,294	+7.4%					

Thrift correspondent balances are demand deposits due mutual and stock savings banks, building or savings and loan associations, homestead associations, cooperative banks, and credit unions. Unless otherwise noted after the name of the bank, data were drawn from the universe of banks with

\$10 million or more in total interbank deposits—demand and time deposits due foreign and domestic banks. (†)—The 1988 total is for the top 100 that year. (a)—On 10/31/88, California First Bank merged Union Bank, Los Angeles and changed title. The 1988 data are for California First Bank. The

former Union Bank was the top bank in thrift correspondent balances in 1988 with \$345.1 million on 6/30/88. (b)—Formerly known as Savings Banks Trust Co. (c)—Merged into Bank of New York on 10/6/89.

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Banks Say No Deal To SIA's Proposal, Citing Imbalances

By ROBERT M. GARSSON

WASHINGTON — The Securities Industry Association's Glass-Steagall initiative falls far short of creating the two-way street that seemed to be in the offing last week, banking groups said Monday.

"We would hope they aren't proposing to replace the Berlin Wall with a high-powered electrical fence," said Edward L. Yingling, executive director for government relations at the American Bankers Association.

Mr. Yingling said early reports of the SIA's proposal were disheartening. "While we are encouraged that they recognize the Glass-Steagall Act is badly out of date," he said, "we have real concerns with what appears to be the alternative they offer."

In its proposal, announced Friday in Boca Raton, Fla., after a week of highly visible news accounts, the association in effect asked that it be given access to the most valuable parts of the commercial banking franchise. But it was vague on the powers it would offer banks in return.

Indeed, the trade group did not even call for repeal of the 1933 Glass-Steagall Act, which established a barrier between the commercial and investment banking industries.

Donald J. Crawford, the SIA's senior vice president for government relations, said the trade group contemplates that, "as part of the legislative process," banks will be given the same underwriting authority brokerage firms now enjoy.

"Glass-Steagall was literally never discussed" by the trade group's board, he said. "We never got down to deciding."

See BANKS: Page 23

Wall Resigns, Says He Was a Scapegoat



Wall's Short Tenure

- **July 1, 1987:** Becomes nation's top thrift regulator.
- **Summer 1988:** Faces growing criticism on Capitol Hill for underestimating the cost of bailing out the S&L industry.
- **December 1988:** Rushes through 24 yearend sales of insolvent thrifts, committing government to billions in tax benefits and guarantees.
- **Nov. 21, 1989:** Testifies before House Banking Committee that he did not improperly delay Lincoln S&L's closing, which now may cost government more than \$2 billion.
- **Dec. 4, 1989:** Announces resignation.

Regulator Faced Eroding Support

By JIM McTAGUE

WASHINGTON — With his political support deteriorating rapidly, M. Danny Wall resigned Monday as director of the Office of Thrift Supervision.

Claiming that Congress had made him the scapegoat for the nation's thrift debacle, Mr. Wall said he plans to leave the agency after a successor takes over. The Treasury Department, which oversees the thrift regulatory agency, has begun seeking a replacement.

Mr. Wall's departure came after House Banking Committee hearings this fall that had focused on his handling of the \$2 billion failure last April of Lincoln Savings & Loan Association, Irvine, Calif.

As recently as last week, Mr. Wall said he had no immediate intention to quit. His reversal surprised his staff at the OTS, who were not told until Monday morning.

"We don't run from a fight where I come from," Mr. Wall wrote in a letter dated Dec. 4 to President Bush. "But I am not willing to stand and fight at the expense of the goals of your administration or the achievements that have been accomplished at both the Federal Home Loan Bank Board and the Office of Thrift Supervision by me and all the people who have served with me."

Mr. Bush had not asked him to step down, the thrift chief added.

Mr. Wall's job performance became a frequent topic of conversation among Washington insiders, and editorials in some of the nation's largest newspapers demanded that he resign. He had been the nation's top thrift regulator since July 1987, when the agency was known as the Federal Home Loan Bank Board.

See WALL: Page 24

Lincoln Probe Spreading to Other S&Ls, Including One Connected to Bush's Son

By JIM McTAGUE

WASHINGTON — Fallout from the \$2 billion Lincoln Savings and Loan scandal, already one of the biggest and messiest in financial history, is drifting toward the White House.

Federal regulators are investigating suspicious transactions involving Lincoln and several other thrifts, including one where Neil Bush, the President's 34-year-old son, was a director, regulatory sources said.

Thrift regulators, the Federal Bureau of Investigation, and the Securities and Exchange Commission are investigating whether the seven thrifts, six of which have failed, were engaged in a giant shell game, hiding questionable loans from regulators by shuffling

the credits among themselves.

The thrifts are also suspected of inflating their assets by selling billions of dollars of junk bonds to each other at escalating prices. Drexel Burnham Lambert Inc., which is said to have received millions of dollars in fees for valuing the bonds and for arranging the transactions, is also being investigated. Drexel declined to comment.

The House Banking Committee, which has been holding hearings on Lincoln's demise, also has gathered information about the inter-thrift transactions, and committee Chairman Henry B. Gonzalez, D-Tex., reportedly is ready to pursue the leads, especially the ones involving the now-defunct Silverado Banking, a \$2.4 billion Denver

See LINCOLN: Page 24

Today

The FDIC is expected to issue rules prohibiting undercapitalized institutions from taking brokered deposits. 2

Wells Fargo & Co.'s stock price has languished recently amid investor concerns about California real estate. 2

Banks lose hundreds of millions of dollars annually because of wire fraud and related crimes, and the losses are escalating, say bankers and law enforcement officials. 3

BankAmerica Corp. has completed the acquisition of a Nevada bank and a Washington State thrift. 2

The Shadow Financial Regulatory Committee chastised the RTC for the pace and pattern of the S&L rescue. 2

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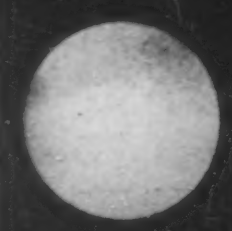
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BANKING
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COMMENT

Hitch in Thrift Law Shoots Down Collateral Deals

By JOHN B. CAIRNS
and WHITNEY HOLMES
Willkie Farr & Gallagher

A little-noticed provision of the new thrift-bailout law threatens the ability of banks and thrift institutions to provide satisfactory collateral for their obligations. The provisions of the law apply broadly to all transactions in which banks must provide collateral.

The law gives the Federal Deposit Insurance Corp. far broader ability to seize and liquidate assets of failed institutions than was previously the case. It may now recover assets even if they have been pledged as collateral to a third party, except under certain narrow conditions.

The situation arises because the scope of section 13(e) of the Federal Deposit Insurance Act has been expanded by Title II of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Provisions Are Stronger

Section 13(e) now invalidates any agreement that "tends to diminish or defeat" the interest of the FDIC as receiver of the assets of banks and thrifts unless the following conditions are met: the agreement is in writing, was executed "contemporaneously" with the acquisition of the assets provided as collateral, was approved by the institution's board or loan committee, and was continuously an official record of

Mr. Cairns is a partner and Mr. Holmes an associate in the law firm of Willkie Farr & Gallagher. They represent both financial institutions and underwriters of the securities of financial institutions.

the institution.

Formerly, section 13(e) applied only to agreements relating to assets acquired by the FDIC by purchase or as collateral for an assistance loan.

Until Congress or the FDIC fixes this problem, it is doubtful that lawyers can offer unqualified opinions on the enforceability of collateral agreements against the FDIC. Without a clean opinion, securities that depend on an investment-grade rating may prove to be unmarketable.

Banks almost always use their existing assets as collateral rather than acquiring new assets for the purpose. Thus, virtually every potential collateral agreement would be affected by the new law.

Section 13(e) generally has been viewed as permitting the FDIC to take assets of a failed bank free and clear of secret side agreements. However, that section applies regardless of secrecy or fraudulent intent. The courts have insisted on strict compliance with those requirements, and the decisions provide little comfort that application of the section can be limited to secret side agreements. The problem infects many common transactions.

For example, if a bank sells assets to a trust and agrees with the trustee to repurchase these assets under certain circumstances, it often collateralizes its repurchase obligation by granting the trustee a security interest in other existing assets. Under section 13(e), the trustee's right to liquidate the collateral would not be valid if the FDIC were to be appointed receiver.

Even if the collateral was acquired when the agreement was executed, any additions to collateral because of mar-

ket fluctuations would not be protected, nor would any substitutions.

Consider also an ordinary repurchase transaction. If a bank sells securities under a repurchase agreement, and if the transaction is viewed as a secured loan to the bank - as it generally is - section 13(e) would invalidate the repurchase agreement upon the FDIC's appointment as receiver.

The contemporaneous acquisition requirement, and the resulting over-collateralization to protect against market risk, will render most transactions economically unfeasible.

Even if the acquisition requirement is met, secured creditors must be concerned with another requirement beyond their control: the agreement must be maintained continuously as a record of the institution. A secured creditor can do little to assure itself that this requirement will be satisfied.

The implications of section 13(e) are not limited to collateralized bank and thrift obligations. Other provisions of the thrift law interact with the section to create uncertainties for many common transactions.

Many Transactions Involved

For example, the protections against seizure by the FDIC that are provided in the new law for "qualified financial contracts" are contingent to some extent on compliance with the requirements of section 13(e). Included in this definition are many ordinary transactions, such as sales of securities, commodities, or other forward contracts.

Also, section 11(d)(9) of the Federal Deposit Insurance Act, as amended, provides that an agreement may not

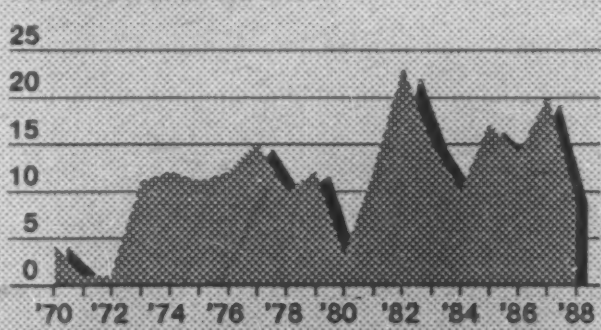
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Crime Blotter

By TOM LEANDER

Attacks on Bankers Overseas

Number of incidents



Includes kidnapping, assaults, and bombings
Source: Brian Jenkins and the Rand Corp.

Consultant Offers Tips On Avoiding Risk Abroad

The terrorist bombing last week that killed a prominent West German banker has renewed interest in security measures to protect U.S. bankers overseas.

Don Walker, an expert on corporate security, offers a number of pointers for banks seeking to bolster protection for executives stationed abroad.

A careful assessment of the prospective country's risk level should be carried out by a consultant. A consultant can also provide strategic defense information such as the most common assassination methods used by local terrorist groups and names of contacts among foreign police and embassy staffs.

U.S. banking executives should avoid being conspicuous in foreign countries. They should drive in auto-



Don Walker

mobiles manufactured locally, and reserve airline tickets without reference to their position.

Mr. Walker's Nashville-based firm, Business Risks International, has advised over 60 banks on corporate security. Foreign risk assessments also are offered by Kroll Associates, a New York investigation firm, and London-based Control Risk.

...

Suspect Nabbed in Wiring Of Bank Teller with Bomb

A man accused of abducting tellers and forcing them to rob banks has been apprehended by Pennsylvania police.

Ralph Stephen Gambin, 42, has been indicted in Pennsylvania in connection with the robbery of a Security Pacific National Bank branch in Torrance, Calif., last year. Mr. Gambin is accused of kidnapping a bank teller, strapping explosives around her waist, and forcing her to steal \$410,000 from the bank branch where she worked.

The FBI said it suspects Mr. Gambin and two accomplices of also breaking into the Buena Vista, Calif., apartment of a bank teller and holding her family hostage while they forced her to return to the bank where she worked and steal \$190,000.

The FBI also suspects Mr. Gambin and his accomplices of three other California bank heists involving the kidnapping of tellers. Their combined robberies netted them almost \$1 million, according to Jim Neilson, a spokesman for the Los Angeles Federal Bureau of Investigation.

NCNB Visa Holders Billed For X-Rated Phone Calls

Visa customers of NCNB have been hit by a nettlesome fraud: phony charges from a California dial-a-porn service.

The Charlotte, N.C.-based bank has received 25 to 50 complaint calls a month since the beginning of this year from customers saying the charges have improperly been placed on their accounts, according to Ellison Clary, a spokesman for NCNB.

Officials at NCNB's bank credit card division say that holders are not responsible for the charges, which usually do not run more than a few dollars. But each time the bank receives a complaint, it has to close an account and issue a new card - a time-consuming and costly task.

The pornographic service has been investigated by NCNB and is not connected with the fraud, the bank said.

...

Dallas Grand Jury Indicts Vernon S&L Customers

The collapse of Dallas-based Vernon Savings and Loan two years ago has led to the indictment of two of the thrift's biggest customers.

W.O. Rothwell and R.H. Westmoreland, both of Dallas, were indicted by a federal grand jury for conspiracy to conceal more than \$815,000 in commission income from real estate transactions financed by Vernon.

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SPECIAL REPORT

ATM Security

OVERVIEW

Are Automated Tellers Also Automatic Threats?

Probably not yet. But crimes related to ATM use are increasing and banks face lawsuits seeking damages. Legislation on safety, which appears inevitable, could also significantly increase costs.

By REBECCA COX

WHAT began as a boon for bank customers is turning into a bane for banks as more financial institutions realize they could be held liable for crimes related to automated teller machines.

"Everyone is worried about lawsuits," says C. Howie Hodges 2d, manager of the security and risk division of the American Bankers Association. "This area is very hazy from a bank-defense point of view."

Bankers' consternation over being held liable for such crimes has increased as the possibility of new federal, state, and local laws seems more likely. Debate over possible legislation will not only draw more attention to the situation, but it could also considerably increase banks' expenses in offering ATM services. ATM crime — an issue bankers might like to ignore — could cost banks big bucks.

"Bankers are concerned," says Noel H. Nation, a partner with the law firm Baker & McKenzie, Miami. "It is a marketing issue and a consumer issue

that any businessman should be concerned about."

Up to now, bank losses from ATM crime and resulting lawsuits have been limited. The number of reported robberies has been low, as have the sums lost and the threat to safety.

But crimes are perceived to be on the rise, as are potential losses to banks through lawsuits.

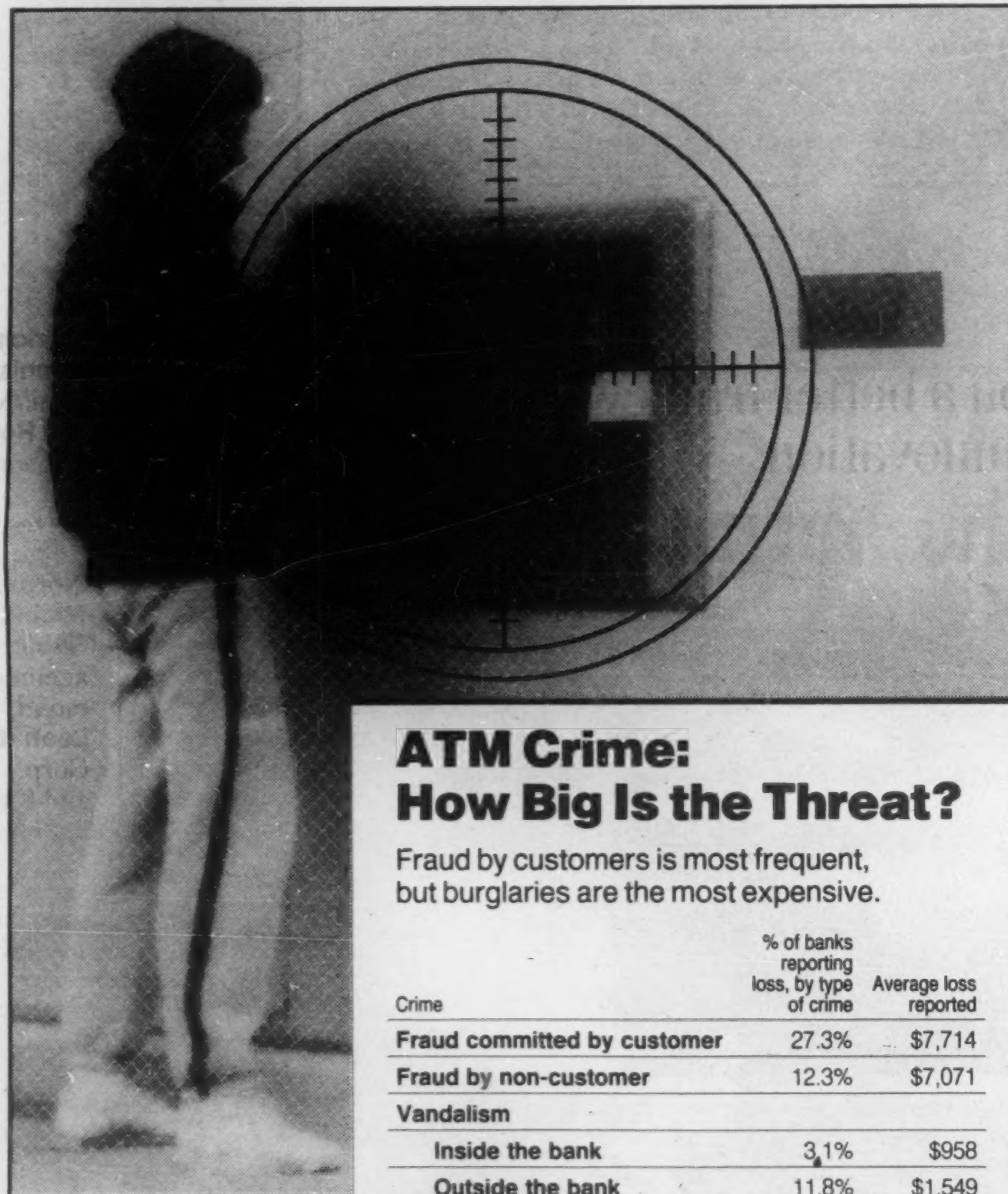
In one lawsuit, a Florida court awarded \$1 million to a man who was shot in the face while depositing funds in a the night depository of a Barnett Bank. Lawyers say this case provides some precedent for prosecuting cases involving similar crimes at ATM sites.

Another lawsuit, brought against Cash Station and its 379 member financial institutions after the murder of a Chicago woman who was forced to withdraw funds from a local ATM, is still moving through the courts.

"The law is split in how it perceives the responsibility of a financial institution," says Mr. Nation, who represents an ATM-related trade group. "A small number of jurisdictions take the view that it will be a long day in coming before a court will impose a duty [fine] on a financial institution for a crime it did not cause."

"On the other end of the spectrum is a view in the law supported by the Barnett Bank case, where they found that prior criminal activity at a site did give rise to responsibility on the part of the bank to provide greater protection to customers."

Lawsuits can be complicated by a host of legal issues that have yet to be addressed. For example, if an ATM



Robert Paul Molay

ATM Crime: How Big Is the Threat?

Fraud by customers is most frequent, but burglaries are the most expensive.

Crime	% of banks reporting loss, by type of crime	Average loss reported
Fraud committed by customer	27.3%	\$7,714
Fraud by non-customer	12.3%	\$7,071
Vandalism		
Inside the bank	3.1%	\$958
Outside the bank	11.8%	\$1,549
Off-site	5%	\$1,844
Burglaries		
Inside the bank	0	0
Outside the bank	0.7%	\$4,933
Off-site	0.2%	\$27,000
Criminal acts against customers		
Inside the bank	0.6%	\$466
Outside the bank	3.7%	\$449
Off-site	0.6%	\$227

Source: American Bankers Association survey of 873 banks

is located in a dangerous neighborhood, should it be closed?

If the ATM is not closed, and a customer is attacked, the bank leaves itself open for a lawsuit. But then, if the ATM is shut down, the bank could be opening itself up to a challenge from activists under the Community Reinvestment Act.

However, "in most cases the bank simply cannot be found negligent unless they disconnect their camera or let the light bulbs burn out, or show some kind of reckless disregard," says Brian Muys, a spokesman for the ABA.

Legislation at the local, state, and federal levels has attempted to answer such liability questions. Most of the legislation aims to set down guidelines for safety, including lighting, surveillance cameras, and silent alarms.

The Chicago city council, for example, contemplat-

ed passing guidelines on ATM safety after the death of the Chicago woman. But the legislation was abandoned after trade groups, bankers, and ATM networks agreed to form a task force to outline safety standards for ATMs.

Los Angeles also is considering setting lighting requirements for ATMs.

Bankers currently follow loosely defined industry guidelines on the degree of lighting needed at ATM sites and the placement of cameras, for example.

"Right now, banks are using industry standards for security that are self-regulating," says Mr. Hodges of the ABA.

The Federal Reserve Board of Governors is considering adding details on ATM usage and installation to Regulation P of the Bank Protection Act of 1969.

"Every time our security group gets together, it's a hot topic," says Mr. Hodges.

"They will probably mandate some type of enhanced standards of security," he adds. The regulation does not now address ATMs, and only outlines safety guidelines for night depositories, bank vaults, and other bank security matters.

However, Mr. Nation says he is wary of hasty legislation, which would fuel lawsuits against banks. "If a law provides a laundry list of things to be considered in connection with a site, it gives a plaintiff's lawyer the ability to say 'Ah ha, you don't have this, why not?'"

"I think financial institutions are better off with evolving tort law theory, and informing the public with leaflets and envelope stuffers," concludes Mr. Nation.

Security issues were first raised when industry trade groups began studying ATM-related crimes in 1986. The studies indicated a growing problem and a need for greater security, but crime figures are sketchy at best.

The problem of identifying such crimes is compounded by the difficulty of gathering statistics and the lack of an accurate definition of an ATM crime.

Often, ATM crimes are secondary to other crimes — a robber, rapist, or kidnapper may bring his victim to a machine to withdraw funds.

"If you are accosted in your home and you happen to have an ATM card in your hand, law enforcement officers classify that as an ATM crime," says Mr. Hodges. "But from the banking perspective, it's an ATM crime only if you get hit while you are pulling the card and the money out of the machine."

Because of contention over the definition of an ATM crime (which trade

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PRACTICING WHAT SHE PREACHES: Linda Fenner Zimmer is not afraid to use ATMs. "There are more humans involved, lives endangered, and harm done in bank lobbies than at ATMs."

Safety Issues Shaping Future ATMs

Banks must learn from past mistakes while there's still time, warns specialist.

BANKS have spent \$3 billion on automated teller machines since the late 1960s, says payment services specialist Linda Fenner Zimmer, but they still are adrift, without goals or strategies for maximizing the payoff on that investment.

"Not enough priority has been given to ATMs and the retail side of electronic funds transfer to merit action," she says. "Corporate EFT is the hot button right now, but attention will come back to the retail side if we get some innovative approaches, leadership, strategies, and a sense of direction and purpose."

Now, network consolidation and increased attention to ATM security are giving banks an opportunity to make up for past mistakes. In an interview with *American Banker*, Ms. Fenner Zimmer discusses the implications of those two forces on the future of bank ATM services.

Julie A. Monahan conducted the interview.

Q Are the networks and the banks doing enough to insure customer safety and to protect themselves against fraud?

Ms. Zimmer: Fraud is not the concern. We can recover from fraud.

It's people and it's injuries. The banks and the networks have been slow to take action on some of the secure aspects of ATMs. As we progress and more incidents have happened, some banks have paid more attention to their locations. But there are still locations out there in dark spots with shrubs that need trimming. Banks that are active have installed phones and cameras, cut back the bushes, and increased lighting.

Q How serious a threat is ATM crime?

Ms. Zimmer: There are more humans involved, lives endangered, and harm done in bank lobbies than at ATMs, but it's the ATMs that are hitting the headlines. It's being blown out of perspective, but darn it, the industry should react by helping the consumer use common sense and perhaps even relocating their machines.

We might have to move in that direction. Maybe you won't see freestanding ATMs—at least not in the center of a parking lot. Maybe a utility will take responsibility for these off-premise machines, spread the liability, and keep it safe and secure. It could force us back to cash dispensers. It could spur individual institutions to install

more machines in secure locations, such as supermarkets, hospitals, and corporations.

Q What do you think will be the major catalyst spurring the industry onward in the 1990s?

Ms. Zimmer: I suspect that security issues will have a major impact on the shape of ATMs in the 1990s. It could be that banks will want to go back—and we're hypothesizing here—to a proprietary program on-premise and join a utility or a shared program off-premise. The advantage of that is banks could go back to calling their own shots and serving their consumers and working on product differentiation but still serve the needs of the traveler.

Q What impact will continued consolidation of regional networks have on bank ATM programs?

Ms. Zimmer: This is a prime opportunity. As networks consolidate, it gives members a chance to say, "Wait a minute. I'm becoming a smaller fish in a bigger pond with less to say. Why am I in here?"

Everybody will stay in the networks, but it will be a different relationship. The networks are going to have different things to offer. There has to be more standards and fewer offerings, in my mind, if we are getting this bigger network. It's a wonderful opportunity to sit back and take a hard look at our ATM programs, especially if we're going into replacement. Almost 50% of ATM orders are for replacement machines. If we say by rule of thumb that a new machine is \$30,000, then 10 are \$300,000. Well, we're in tight-money times, so let's say, "Hold it. What do we want from ATMs?"

Q Are ATMs meeting the desired objectives?

Ms. Zimmer: ATMs are still not exactly profit centers at the majority of finan-

cial institutions. They are a necessary evil in the minds of senior management. One thing that could get ATMs going again would be to get top management involved again. Right now ATMs are just squeaking by on skeletal funds. Philadelphia National, Bay Banks, and Citibank are exemplary examples of what you can do. They have the strategy, top management support, the funding, and the direction.

Q Are there some bright spots for ATMs as we head into the 1990s?

Ms. Zimmer: EFTA [the Electronic Funds Transfer Association] is revamping. Maybe it will come back and provide a leadership role but the association is more promotional and education-oriented.

The ABA has established a new policy payment systems committee. Perhaps that will bring back senior management interest and involvement.

These branches and banks of the future are an intriguing spot on the horizon. Now that Mac [ATM network] is committing to it and planning to install these banks of the future, it may well play into the '90s, where we're talking about "How do I make my bank different from the bank next door with technology and self-service?" A bank may say, "I don't want the network to be able to use my statement printer. This is my service for my customer, and that's why they bank with me and not the guy across the street."

Q What new services or options do you see being added to ATMs?

Ms. Zimmer: Everybody seems to be caught up with trying to put as much as possible on one machine. They are trying to generate volume, but sometimes I think banks have not thought it through very well. They haven't thought about what they are trying to

do when they put a statement printer on an ATM. If the machine is in a high volume location, anything that holds up that line is going to give you headaches. People will step out of the line and go back to the lobby or maybe elsewhere.

It seems to me the machine is vulnerable with statement printers and other options in less secure locations. Certainly you wouldn't put them on off-premise machines. You might have some of these machines loaded to the hilt in a semisecure environment. We're also going back to the branch of the future where there is a family of terminals. There is a place for bells and whistles, but I would like to see them separate, which is what Philadelphia National is doing.

Q Do you think the industry is stumbling in pricing ATM transactions?

Ms. Zimmer: ATMs and preauthorized payroll deposits are all exceptions to our paper-based checking accounts. What is EFT doing to this paper-based system? Bankers say the ATMs can print customers' last seven transac-

'After seeing all these fees, it may be easier [for consumers] to go back to writing checks and using the teller in the lobby.'

— Linda Fenner Zimmer
Payment Services
Specialist

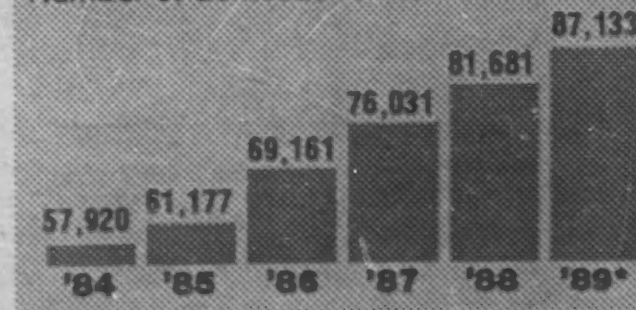
tions, but the charge is \$1. After seeing all these fees, it may be easier [for consumers] to go back to writing checks and using the teller in the lobby—and I do see some hints of that. We should give customers a few free rides on the statement and the balance inquiries before we charge them each month.

Q Do you see increasing attention to ATMs by the government?

Ms. Zimmer: The fact that California is mandating that banks provide access to their ATMs by the handicapped does not concern me, but there's this little voice in the back of my head getting nervous. Government is starting to step in more and more in the EFT/ATM environment, which [means more] restrictions. Rules and regulations multiply incredibly and add all kinds of costs, which will be passed on to consumers, who are already getting price-sensitive. The federal government is also considering security measures for ATMs. Illinois is considering licensing ATMs or shutting them down after 9 p.m.

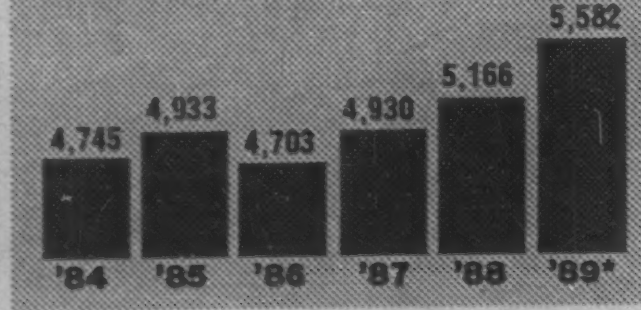
The ATM Population:

Growth Is Steady
Number of domestic ATMs



*Projected
Source: Linda Fenner Zimmer. Data collected annually from vendors

More Frequently Used
Transactions per machine



*Projected
Source: Bank Network News

Julie A. Monahan is a business writer based in New York.

NOTE

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